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Medicare Rights Center ☞ Metro New York Health Care for All Campaign
New Yorkers for Accessible Health Coverage ☞ New York Immigration Coalition ☞ Project CHARGE
Public Policy and Education Fund of New York/Citizen Action of New York
Raising Women's Voices-New York ☞ Schuyler Center for Analysis and Advocacy ☞ Young Invincibles

Memorandum in Support of S.8365a/A.10506 June 2020

An act to amend the public health law, the debtor and creditor law, the civil practice law and rules and the insurance law, in relation to COVID-19 pandemic medical debt requirements

Health Care for All New York (HCFANY) is a statewide coalition of consumer-focused organizations dedicated to achieving quality, affordable health coverage for all New Yorkers, and ensuring that the concerns of real New Yorkers are heard and reflected in policy conversations. **We strongly support S.8365a/A.10506, which will halt medical debt collection by hospitals and debt buyers, stop interest accrual on medical debt during the pandemic, cap interest rate on future medical debt at the U.S. Treasury rate, require hospitals to file claims with the federal Health Resources and Services Administration before billing uninsured patients, extend premium grace periods and prevent insurers from charging late fees or reporting members to collections for late premium payments.**

The COVID-19 crisis has had serious economic repercussions for New Yorkers, many of whom now find themselves struggling to pay for healthcare in a period where timely access to health testing and services is more critical than ever. Job loss and accompanying loss of coverage have disproportionately affected communities of color, including Latinx, immigrant and low-income communities.¹ And after a brief respite, hospitals have once again started suing patients for unpaid medical bills. A recent search of public court databases of 14 hospitals around the state identified 549 lawsuits filed against patients during the peak pandemic months and beyond (March through July, 2020). Previous research has shown that communities of color are more likely to have medical debt put into collections.²

New Yorkers need protection from medical debt and from losing their health insurance. This bill would preserve health coverage for many New Yorkers by extending premium grace periods. It protects many others from long-term financial repercussions due to medical debt or late payments by instituting a moratorium on medical debt collection actions and stopping interest accrual on medical debt during the pandemic. For these reasons, HCFANY strongly supports this bill.

¹ Amanda Dunker and Elisabeth Benjamin, "How Structural Inequities in New York's Health Care System Exacerbate Health Disparities During the COVID-19 Pandemic: A Call for Equitable Reform," June 4, 2020, <https://www.cssny.org/news/entry/structural-inequalities-in-new-yorks-health-care-system>.

² Amanda Dunker and Elisabeth Benjamin, "Discharged into Debt: New York's Nonprofit Hospitals are Suing Patients," March 2020, <https://www.cssny.org/publications/entry/discharged-into-debt>.

